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OCI No. 0797/66
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MEMORANDUM

SUBJECT: Mrs. Gandhi's Visit to the US

1. Mrs. Gandhi's primary objective during her visit to Washington will be to secure some tangible US commitment to help India survive its economic crisis. She will therefore avoid contentious issues and concentrate for the most part on India's domestic problems.

2. Mrs. Gandhi will press for a renewal of long-term economic assistance, a resumption of the consortium aid-pledging system--in abeyance since last April--on which Indian planners can count, and continued PL-480 food shipments.

3. The prime minister will reiterate India's interest in settling all outstanding differences with Pakistan, except those involving the constitutional status of Kashmir. She will repeat familiar arguments that Kashmir is legally a part of India and that to bargain away any of it with elections less than a year away would be political suicide. She will probably restate India's concern about the Communist Chinese threat to the subcontinent, but soft-pedal Vietnam questions with the argument that India's role as ICC chairman requires neutrality no matter how sympathetic New Delhi may be privately toward the US position. She will also probably try to steer clear of the question of admitting Communist China to the UN, which New Delhi continues to favor.

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4. Mrs. Gandhi's visit does not in itself pose difficulties for the US, although her requests will require the US to weigh India's need for aid against New Delhi's ability to use it effectively and against the over-all US objectives in South Asia. The visit parallels that made by Pakistan's President Ayub last December. Pakistan realizes that plans for resumed aid to both India and Pakistan will be formulated only after Mrs. Gandhi's trip, and is therefore glad to see the once postponed visit finally take place. The Pakistanis would be acutely distressed, however, if the meetings resulted in large-scale aid to India in the absence of solid progress on Kashmir. Rawalpindi has indicated in the past its feeling that the US has enough economic leverage to force India to a Kashmir settlement if Washington chose to do so.

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